



April 14, 2004

TO: Local Agency Formation Commission

FROM: Acting Executive Officer
Policy Analyst

SUBJECT: Proposed:
"Andrews/Harris Annexation to the Orange County Sanitation District" (DA 03-19); Out-of-Area Sewer Service Agreement - City of Orange;
"Tovatt Annexation to the Orange County Sanitation District" (DA 03-20); Out-of-Area Sewer Service Agreement - City of Orange;
"Kirkland Annexation to the Orange County Sanitation District" (DA 03-22); Out-of-Area Sewer Service Agreement - City of Orange; *and*
"Holtz Annexation to the Orange County Sanitation District" (DA 03-23); Out-of-Area Sewer Service Agreement - City of Orange

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BOB ALDRICH
Acting Executive Officer

APPLICANT

Orange County Sanitation District (OCSD), by Resolution of Application, and with consent of the sole property owners.

PROPOSAL

The four separate applications referenced in this report request LAFCO to collectively consider the annexations of approximately 3.3 acres of uninhabited territory to the Orange County Sanitation District and concurrent approval of contractual Out-of-Area agreements (OAA) for sewer services between the City of Orange and the property owners. The purpose of the proposals is to provide sewer service to four properties, each consisting of one existing single-family home. All properties are located in the unincorporated Orange Park Acres area.

BACKGROUND

The first homes were built in the Orange Park Acres unincorporated area in 1928. Today, the residential area includes approximately 400 acres consisting of approximately 1,200 homes, the majority of which are on septic systems. The subject applications are similar to several proposals recently filed with LAFCO by the OCSD on behalf of residents requesting

access to sewer service to properties located in the unincorporated area of Orange Park Acres.

The City of Orange has addressed individual OPA resident requests to connect to public sewer through a contractual agreement with residents. However, the opportunity offered only a band-aid fix to a potentially larger policy issue; that of facilitating a proactive process for residents to gain access to public sewer service.

Policy Guidelines

Ideally, the subject territories should, if feasible, be annexed to the City of Orange, since city services are being extended beyond their boundaries. Pursuant to Government Code Section 56133, a city may provide new or extended services outside its jurisdictional boundaries if it first requests and receives written approval from the commission in the affected county. Additionally, the commission's policy on out-of-area agreements provides that LAFCO shall approve these agreements for service outside of a city's jurisdictional boundaries only in anticipation of a change of organization, i.e., annexation to the city.

Extending Services

For the subject annexations, the City has agreed to provide retail sewer service to the territories and requests that your Commission approve Out-of-Area Sewer Service Agreements to facilitate such service. Your Commission's approval of an OAA sewer service agreement for the subject annexations is conditioned on the City including language in the agreements, indicating intent to initiate annexation of the subject territories at a future date. Three of the four proposals include a fully executed Out-of-Area Sewer Service Agreement between the property owner and the City. The agreements are attached to this staff report as:

- Attachment C., Tovatt Out-of-Area Sewer Service Agreement
- Attachment D., Kirkland Out-of-Area Sewer Service Agreement
- Attachment E., Holtz Out-of-Area Sewer Service Agreement

A copy of a *draft* Out-of-Area Sewer Service Agreement for the fourth proposal, Andrews/Harris Annexation to the OCSD, is also attached to this staff report (see Attachment B). Staff has included as a term and condition of recordation of this annexation, that the City submits a copy of a signed and executed Out-of-Area Sewer Service Agreement between the City of Orange and the affected property owner (s) that is substantially the same as the draft agreement approved by your Commission.

LOCATION

The proposed annexations are generally located in unincorporated Orange County in the vicinity of Orange Park Boulevard and Randall Street. (See Attachment A, vicinity map).

ENVIRONMENTAL REVIEW

The projects are categorically exempt pursuant to Section 15319 of the State CEQA Guidelines.

PROPERTY TAX

No property tax exchange will occur as a result of these proposals pursuant to the Master Property Tax Agreement adopted by the Board of Supervisors for enterprise special district reorganization proposals.

RECOMMENDATIONS

Staff recommends that the Commission take the following actions:

1. Adopt the form of resolution approving the "Andrews/Harris Annexation to the Orange County Sanitation District" (DA 03-19) and the form of contractual Out-of-Area Sewer Service Agreement between the City of Orange and the property owner. LAFCO waives conducting authority proceedings pursuant to Government Code Section 56663. The approval is subject to the following terms and conditions:
 - a) Payment of Recorder and State Board of Equalization fees.
 - b) The applicant agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.
 - c) Prior to recordation of the Certificate of Completion by the Executive Officer, the City of Orange shall submit to LAFCO a signed and executed copy of a contractual Out-of-Area Sewer Service Agreement between the City of Orange and the affected property owner(s) that is in substantially the same form as the draft agreement approved by LAFCO.
 - d) The effective date shall be the date of recordation.
2. Adopt the form of resolution approving the "Tovatt Annexation to the Orange County Sanitation District" (DA 03-20); "Kirkland Annexation to the Orange County Sanitation District" (DA 03-22); "Holtz Annexation to the Orange County Sanitation District" (DA 03-23) and the form of contractual Out-of-Area Sewer Service Agreement between the City of Orange and the property

owners. LAFCO waives conducting authority proceedings pursuant to Government Code Section 56663. These approvals are subject to the following terms and conditions:

- a) Payment of Recorder and State Board of Equalization fees.
- b) The applicant agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.
- c) The effective date shall be the date of recordation.

Respectfully submitted,

BOB ALDRICH

KIM A. KOEPPEN

Attachments:

- A. Vicinity Map
- B. Andrews/Harris Draft Out-of-Area Sewer Service Agreement
- C. Tovatt Out-of-Area Sewer Service Agreement
- D. Kirkland Out-of-Area Sewer Service Agreement
- E. Holtz Out-of-Area Sewer Service Agreement